



WASHOE COUNTY
"Dedicated To Excellence in Public Service"
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STAFF REPORT
BOARD MEETING DATE: DECEMBER 9, 2014

CM/ACM JS
Finance LC
DA _____ MK
Risk Mgmt DE
HR N/A

DATE: November 13, 2014
TO: Board of County Commissioners
FROM: Duane Meyer, Special Operations Division Captain, 328-3354,
dmeyer@washoecounty.us

THROUGH: Michael Haley, Washoe County Sheriff *B-1: A/S [signature]*

SUBJECT: Recommendation to approve Contract for the Construction & Delivery of a Law Enforcement Marine Patrol Vessel between Washoe County and Titan Inflatables, Ltd. for purchase of new Titan 280 Pilot Aluminum RHIB Boat with Trailer on behalf of Washoe County Sheriff's Office, from Titan Boats, 2011 Malaview Ave., Sidney, B.C. Canada V8L 5X6 in an amount [not to exceed \$280,000.00], utilizing the Douglas County, NV Contract Number 2014.228. If approved, please authorize Purchasing to execute contract. (Commission District One)

SUMMARY

Approve purchase of new Titan 280 Pilot Aluminum RHIB Boat with Trailer on behalf of Washoe County Sheriff's Office, from Titan Boats, 2011 Malaview Ave., Sidney, B.C. Canada V8L 5X6 in an amount not to exceed \$280,000.00, utilizing the Douglas County, NV Contract Number 2014.228. This boat will replace the 1999 24' Almar Custom Patrol Boat that was deemed to be a total loss by Travelers Insurance during severe weather while moored in Lake Tahoe.

Washoe County Strategic Objective supported by this item: Safe, Secure and Healthy Communities.

PREVIOUS ACTION

May 18, 1999 – BCC Approved the purchase of a 1999 Almar 24' Custom Patrol Boat to replace a 1987 Sea Ray 18' Motor Boat that was obtained as a drug seizure and no longer met the Patrol needs.

BACKGROUND

The Washoe County Sheriff's Office is actively engaged in providing Law Enforcement, Public Safety Campaigns, and Search and Rescue on Lake Tahoe using a marine patrol boat assigned to Incline Village. These law enforcement activities began prior to 1999 and continued after the purchase of a 24' Almar Custom Patrol Boat in 1999.

In May of 2013 the 1999 24' Almar Custom Patrol Boat was modified and refitted with two outboard motors.

In June of 2014, the 1999 24' Almar Custom Patrol Boat was moored on a buoy in Lake Tahoe during a severe weather event where it was damaged to the extent that it was deemed to be a total loss by the insurance carrier, Travelers Insurance.

FISCAL IMPACT

Insurance replacement funds of \$100,822 for this expenditure will be paid by Risk Management out of Cost Center 195053. Additional costs will be covered from within the Washoe County Sheriff's Office Federal Forfeiture Account, Internal Order 10065.

RECOMMENDATION

It is recommended that the Board approve Contract for the Construction & Delivery of a Law Enforcement Marine Patrol Vessel between Washoe County and Titan Inflatables, Ltd. for purchase of new Titan 280 Pilot Aluminum RHIB Boat with Trailer on behalf of Washoe County Sheriff's Office, from Titan Boats, 2011 Malaview Ave., Sidney, B.C. Canada V8L 5X6 in an amount [not to exceed \$280,000.00], utilizing the Douglas County, NV Contract Number 2014.228. If approved, please authorize Purchasing to execute contract.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: Move to approve Contract for the Construction & Delivery of a Law Enforcement Marine Patrol Vessel between Washoe County and Titan Inflatables, Ltd. for purchase of new Titan 280 Pilot Aluminum RHIB Boat with Trailer on behalf of Washoe County Sheriff's Office, from Titan Boats, 2011 Malaview Ave., Sidney, B.C. Canada V8L 5X6 in an amount [not to exceed \$280,000.00], utilizing the Douglas County, NV Contract Number 2014.228. If approved, please authorize Purchasing to execute contract.

CONTRACT FOR THE CONSTRUCTION & DELIVERY OF A LAW ENFORCEMENT MARINE PATROL VESSEL

BETWEEN

WASHOE COUNTY, NEVADA
1001 E. 9th STREET
RENO, NEVADA 89509
("COUNTY")

AND

TITAN INFLATABLES LTD.
2011 MALAVIEW AVENUE WEST
SIDNEY, B.C.
CANADA
V8L5X6
("BUILDER")

WHEREAS, Washoe County, a political subdivision of the State of Nevada, requires the services of an independent contractor to build custom law enforcement marine patrol boat for use by the Sheriff; and

WHEREAS, Builder has the expertise to construct a custom law enforcement marine patrol vessel, and represents that it is duly qualified, equipped, and staffed to perform and render these services;

WHEREAS, Builder has agreed to build and deliver to Washoe County a *Titan – 280 Pilot* (the "Vessel") and Washoe County has agreed to buy the Vessel pursuant to the terms of this contract;

Now, therefore, in consideration of the promises made herein, the parties mutually agree as follows:

1. **AGREEMENT TO BUILD** – Builder shall build and deliver to County the Vessel of good quality, workmanship, and materials, in accordance with the plans and specifications (the "Specifications") set forth in **Appendix A** attached and incorporated into this agreement. In the event of any inconsistency or conflict between the provisions of this Agreement and any of the terms or provisions the Specifications, the provisions of this Agreement shall prevail.
2. **PRICE** – County shall pay to Builder for the construction and delivery of the Vessel a total

price of **\$ 274,543.94 United States Dollars** (the "Purchase Price"). Builder shall be responsible for payment of any British Columbia Provincial and Canadian Federal Taxes which may be payable. The Purchase Price shall be paid to Builder by the County in accordance with the payment schedule (the "Payment Schedule") set forth in **Appendix B** attached and incorporated into this agreement.

3. **COMPLIANCE AND REGULATORY INSPECTION** – It shall be County's responsibility to ensure the Specifications are in compliance with United States Coast Guard regulations as apply for this size and designated use of Vessels. It shall be Builder's responsibility to ensure that the Specifications are in compliance with, or exceed, Transport Canada TP 1332 and referenced standards for offshore vessels, as outlined in ISO 6185-4 Inflatable Boats with an Overall Length of Between 8m and 24m and with Motor Maximum Rating of 75kW and Greater.

4. **INSPECTION BY COUNTY** – The Vessel shall be built under the supervision of County as represented by Darin Balaam, Assistant Sheriff, Washoe County Sheriff's Office (the "County's Representative" or "County's designee"), or such other person as may from time to time be designated by County by notice in writing to Builder and the designee shall at all times during usual working hours have free access to the premises where the Vessel is being built.

5. **COMMENCEMENT OF WORK AND DELIVERY** –

A. Builder shall commence work on the construction of the Vessel upon receipt of the initial deposit payment required under the Payment Schedule (see Appendix B).

B. Builder shall have the Vessel completed, delivered, and ready for sea no later than May 17, 2015, unless the failure to have the Vessel completed and ready for sea is due to (1) the default of County, (2) the failure of any third-party suppliers of machinery, fittings, materials, equipment, (3) the failure of any third party of fuel, light, power or other facilities required for the operation of Builder's works, (4) other causes beyond the control of Builder, including, strikes, lockouts, combination of workmen, destruction of work, Acts of God, or the Queen's enemies, fire, explosion, tempest, weather, earthquake, accident, directly or indirectly affecting the works of Builder.

C. Failure to meet the deadline due to conditions set forth in subpart (B) shall not constitute any default or breach of contract on the part of Builder, and no penalties or damage shall be payable to County by the Builder, and the time for completing the Vessel and making it ready for sea shall be extended from time to time and as often as such events occur by a reasonable period which shall be fixed by written agreement between the Builder and the County's designee.

D. It is understood and agreed that delivery date of the Vessel is predicated upon prompt delivery of all component parts specified in **Appendix A**. It is mutually agreed that if delivery of the said component parts cause delay and Builder's construction schedule is consequently upset or delayed, then the time for completion and delivery of the Vessel shall be reasonably extended and no penalty will be incurred by the Builder. Builder agrees to provide County's designee notice of delay in construction schedule upon Builder's discovery of change in conditions.

- E. Upon completion of the Vessel, and provided that the payments on account of the Purchase Price of the Vessel have been duly made in accordance with the Payment Schedule, the Builder shall deliver the Vessel to the County's Representative.
- F. Upon satisfactory inspection which shall include sea trials to the satisfaction of the County's Representative, County shall provide Builder with written notice of acceptance of the Vessel.
- G. The Vessel shall be held at the risk of Builder while on the Builder's premises and under the Builder's control including, delivery, sea trials, and until the written notice of acceptance is signed by the County's Representative.

6. ALTERATIONS AND ADDITIONS.

- A. During the course of construction of the Vessel, County may require any reasonable alterations or additions within the Builder's capacity to be made in or to the Vessel but such alterations and additions shall only be made upon the written orders of County or its duly appointed representatives.
- B. Alterations and additions shall be in addition to the purchase price. Alterations and additions shall be allowed in such an amount as may be determined by written agreement between the County and the Builder. The amount of alterations and additions shall be calculated at the Builder's cost of labor and materials (with a 10% mark up on materials) only.
- C. The amount of any increase in the Purchase Price shall constitute a sum owing by the County to the Builder in addition to the Purchase Price, and shall be payable within 14 days after the date of the Builder's invoice.
- D. Any abatement to the Purchase Price shall be allowed in such an amount as may be determined by mutual written agreement between the County and the Builder and shall be calculated on the basis of the Builder's actual savings by reason of such abatement.
- E. Builder shall have the right to require a reasonable extension of time in the date for completion and delivery of the Vessel to such other date as may be fixed by written agreement of County and Builder.

7. WARRANTY – Builder shall warrant the Vessel and the Vessel Hull as set forth in Appendix C

8. RESPONSIBILITY AND INSURANCE – The Vessel shall be held by Builder at its own risk until County has provided written Notice of Acceptance of the Vessel. During the construction and until County issues written Notice of Acceptance of the Vessel, Builder shall maintain standard forms of Builder's risk policies of insurance for the Vessel, including the engine and floatation tubes, and any other equipment supplied by the County, with loss payable to County to the extent that County paid Builder any sums pursuant to the Payment Schedule attached as Appendix B.

9. TITLE – The Vessel at all stages of construction shall remain the property of the Builder until

written Notice of Acceptance of the Vessel is delivered to Builder by County, at such time title to the Vessel shall pass to County. Builder shall deliver the Vessel to County free from all liens, charges or encumbrances of any kind or nature whatsoever.

10. COUNTY MAY COMPLETE ON DEFAULT.

A. County's obligation to make payments of the Purchase price pursuant to the Payment Schedule shall abate in the event of Builder's (1) failure to complete the construction of the Vessel in a regular and business-like manner, (2) failure to complete the Vessel in accordance with this Agreement, (3) bankruptcy, (4) making any compromise with Builder's creditors. The obligation to make payments shall abate at the time of the event or at any time thereafter, while such condition continues.

B. At County's option and upon giving Builder seven days written notice, County may enter upon Builder's premises and take possession of the Vessel in her then state and such materials and goods as are intended or proposed to be used in the construction of the Vessel and which have been paid for by County.

11. REMEDIES OF BUILDER ON DEFAULT BY COUNTY – In the event of default by County in the making of any of the payments required to be made from time to time in accordance with the Payment Schedule and in the further event of such default continuing for a period of 90 days after written demand has been made of the County by the Builder for payment of the sums with respect to which default has occurred, the Builder may, at its option and without further notice to the County, sell the Vessel in its then stage of construction together with all materials and things upon the premises of the Builder and purchased for the purpose of construction of the Vessel, or at its option, the Builder may complete the Vessel and thereafter sell it to a third party without further responsibility to County. In any event, Builder shall not have the right to sell any other equipment which has been supplied by County. In the event of any sale under the foregoing provisions, Builder shall be entitled to deduct from the proceeds of the sale the amount owing by the County to the Builder at the time of the default, plus an additional 15% thereof, and any surplus monies over and above the total of the said sums and any expenses incurred by Builder in and about the sale of the Vessel shall be paid by the Builder to the County. It is expressly understood and agreed between the County and the Builder that the exercise of either of options aforesaid by the Builder shall not be construed as an undertaking by the Builder to return to the County any monies paid by the County to the Builder.

12. NON-APPROPRIATION CLAUSE - The County may terminate its participation in this Agreement, effective immediately upon receipt of written notice on any date specified, if for any reason the County's funding source is not appropriated or is withdrawn, limited, or impaired. The County will make every reasonable effort to ensure payment for services rendered by the Builder.

13. GOVERNING LAW – This Agreement has been executed under and shall be governed by the laws of the State of Nevada. Any litigation resulting from this Agreement shall be brought in the Second Judicial District in and for the State of Nevada.

14. **COUNTERPARTS** – This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original.

15. **NOTICES** – Any notice or request given under this Agreement shall be deemed to have been sufficiently given on the day it is sent by registered mail, postage prepaid, and addressed to the party at the address listed on page one of this Agreement. Either party may give written notice of a change of address, in which event any such notice or request shall thereafter be given to it at such changed address. The date of mailing shall be deemed to be the date that notice has been given, provided there is proof of delivery.

16. **MODIFICATION OF CONTRACT MUST BE IN WRITING** – Except as otherwise specifically provided, neither this Agreement nor any provision of it, may be changed, waived, discharged, or terminated orally. Any change must be made in writing and signed by both parties

17. **SUCCESSORS AND ASSIGNS** – This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this agreement effective the day and year last written.

BUILDER:

TITAN INFLATABLES, LTD.

(Date)

(Print Name and Title)

COUNTY:

WASHOE COUNTY, NEVADA

Mike Sullens, Washoe County Purchasing(Date)

ATTEST:

Washoe County Clerk's Office

By: _____
Deputy Clerk

**APPENDIX A
VESSEL SPECIFICATIONS**



2011 Mulamaw Ave West, Sidney B.C. V8L 4X8 Tel: 250-855-3153 Fax: 250-656-3157

WASHOE COUNTY SHERIFF/MARINE #9

www.titanboats.com / andrew@titanboats.com or
earwell@titanboats.com

Contact: Mr Ken POCHT

Quote # 14056 Prepared by Andrew Lamb andrew@titanboats.com

August 29 2014

1	Titan 280 Aluminum Inflatable Hull c/w forward Well Transom to Head Log Minimun 27 ' long Max 32 ' / Includes cabin with slide doors Hull comes with a Lifetime warranty for Workmanship/Defects/ Does not cover damage to hull from neglect or misuse.	
2	<i>Titan RIB Hull prices include: hull with delta keel & chine step, transom, transom cap, longitudinal stringers and transverse framing, self bailing watertight aluminum deck with bolt-down inspection hatches, tube cradles, inner bulwarks , bow eye for hauling onto a trailer, Aluminum is 5086 1/4" hull plate; 5086 - 3/16" sides and transom with 1/2" 5086 for motor mounting. Decks are self draining with a 4" scupper on each side of the transom. S/S drain plug. Headroom is 80" Stainless steel cutwater transom tie down points Beaching plate strips along stem from gunwhale to delta keel</i>	
3	Bow box/Anchor locker	
4	Tow Post Aft Removable 2500lb lb rating	
5	Davit manual winch	
6	Tow Reel mounted on cabin roof aft, c/w 200 3/4 inch line. Note: The location of the reel as mounted on the roof is not a towing point and should not be used as so as it will affect the stability of the vessel while engaged in a towing operation.	
7	Foam in void spaces of hull.	
8	Titan 280 Inflatable Tubes Air(24" diameter) Military Grey in color .	
9	Semi Auto Inflation system	
	<i>Titan Inflatable Tube prices include: +1880 Denier Neoprene-Hypalon material, 5 strips of Black Bombard , tube tensioning straps, top step pads, pressure relief valve in each chamber, scuff pads. Handholds in and outside the cabin. Tubes are mechanically fastened to hull Bow Bra Protector</i>	
10	Windshields wipers c/w washer system	

11	Radar Platform on Roof (arch)	
12	2 Forward Leanin windshields 3/8 tempered Glass, one fixed and one sliding side window each side, 1 window on each side of door on aft bulkhead (Windows and door are rated Cat.C ISO Certified)	
13	1 Cuddy roof hatch	
14	2- Cabin Roof hatches Lewmar Ocean Flat 44 3964450	
15	Aft door with window and stainless steel lock set. Door is left hand hinge	
16	4 Grammer Air Ride Seats seats c/w swivwel and adjustable, armrests and lumbar support. C/w Seat base with locking storage.	
17	Railings aft	
18	Motor Guard	
19	Bow Railings/ Removeable	
20	ReBoarding Ladder	
21	Foot rests Nav and Helm position	
22	Fuel Tanks - 2 - aluminum 1 - 80 and 1 - 80 imp. gallon built-in. <i>(Aluminum fuel tanks and systems are pressure tested and mounted on rubber with fuel fittings, access hatches in floor, all hoses to class 'A' fuel standard, fillers, vents, pickups & returns, and shut off valves c/w lockable fill caps)Fuel fills have vents.Inspection plates over sender units</i>	
23	2 of Racor 660R-01 gasoline fuel filters for twin outboard engines.	
24	Fuel Gauges & Sending Units. Hoses vales fittings	
25	3 - Bilge Pumps 2- 2000 gph w/super float switch, 1 - 1500gph (1 in Main bilge I Laz box 1 in motor pod)	
26	Pump switches 3 way, "MANUAL" - "OFF" - "AUTO" c/w green LED indicator light showing switch is set for AUTO.	
27	RED indicator dash light indicating the pump is operating	
28	High Water Alarm (3)	
29	Shore Power c/w 1 - 110 v outlet & 50' shore power cable (30 Amp)	
30	Electrical panel c/w backliit switches - 100 AMPS 22 positions	
31	4 Batteries AGM Group 31 with Box, reset breaker and 4 way X tie switch 2 House battery, 1 battery port motor 1- battery starb motor. c/w 2-ACRs's	
32	Xantrex 806-1210 1000W Inverter	
33	Switch Panel 1-8 1-6 position	
34	Fuse panel with supply from battery with 12 ATO fused circuits.	
35	Battery Charger Pro Mariner 4 Bank 20 amp.	
36	12 volt Power socket. 4 (1 Helm position, 1 Nav position 1Laz box 1 forward well)	
37	2 - Interior cabin fans	
38	Carbon Monoxide Detector	
39	Gas Fume Detector	
40	Compass Ritchie Model HF-743 c/w Light	

41	Horn Electric Model Organo	
42	2 ACR 1930 200,000 CP Spotlight mounted either side cabin roof	
43	2 Red Map Lights 1 Port Consloe 1 Strb Console	
44	6 white lights - 3 each side ,c/w dimmer and individual switch as well as a main OFF /ON switch	
45	6 LED interior lights 3 each side RED c/w dimmer	
46	Deck/Docking lights 6 LED style Hella 136-121 996 instrall on the roof ; 1 port, 1 starboard and 2 facing aft, 2 Bow Docking lights forward	
47	2 Red LED aft deck lights flush mount into tube cradle c/w dimmer / 2 Red LED flush mount lights inforward well.	
48	2 Ridgid Underwater L.E.D. Lights	
49	1- Amber coloured Tow Light	
50	Navigation Lights including port, starboard and all-around steaming/anchor light combination. (HELLA 959900201)	
51	2 Dimmer Switches for dash board	
52	2 roof vents	
53	WCSO Siren Police Radio and Light Bar Customer Supplied	
54	ACR GlobalFix !PRO 406 MHZ GPS EPIRB Cat II Manual Deploy	
55	2 - Fire Extinguishers Class 10 BC Marine Type with custom bracket	
56	24 " Life ring with 50 feet of line and Bracket	
57	Fortesss FX-11Anchor and chain 25' and 200 feet 1/2 line	
58	Comet Distress Flare 6 pack	
59	Flooring 3/8 Shock and sound anti fatigue matting	
60	Whale "Gusher" Manual Pump	
61	Air conditioning system utilizing heat ducts	
	D10W Espar heater and kit - 17,000 BTU c/w registers, fans, racor filter Heat outlets located in the cuddy cabin, navigation position, near the floor at the helm position. Front windshield shall have a variable speed fan/defroster capable of clearing the entire windshield area. 2 required. These will blow hot and/or cold air.	
62	A/c Heater Adapter kit	
63	Diesel tank 24.6 litre for heating system	
64	Fresh water on demand pump with bib on aft cockpit	
65	e165 15.4 Hybrid Touch Mult Display	
66	e7" Network Multi Function display w/LNC	
67	Raystar 125 GPS Sensor	
68	RA1048D 4Kw 48 inch open array w 15m Cable	
69	EV-1 Sensor Core	

70	CP100 Down Vision Mod with CPT-100 Transom Mount	
71	CP200 CHRIP Side Vision Mod with CPT-200 Transom Mount	
72	10 M Digital cable	
73	Raynet to Male RJ-45, 3 M cable	
74	Hot maps Platinum west	
75	Cam 200 IP Day/Night Network marine camera	
76	Ray 218 Fix Mount VHF Hailer	
77	Ray 55 VHF Radio	
78	Ray/Mic 2nd/3rd station for Ray 218	
79	Flush Mount Kit Ray 55	
	DVR Recorder for marine application. Advised less than \$ 1000.00	
80	FLIR- M625L	
81	Mercury Verado 300XL	
82	Mercury Verado 300CXL	
83	Helm Kit Dual binnacle station	
84	Trim Tabs	
85	Stainless Steel Props	
	Rigging / Assembly / Fitting	
	PDI & Sea Trials	
	Manuals (2)	
	Paint - Cabin exterior	
	Paint Cabin Interior	
	Anti fouling paint to Hull	
	Deck coating Anti Slip (Grip-Tred)	
	Tuff Trailer TTA13000T Aluminum Trailer Elec/Hydraulic Brake/2 Spare Tire mounted/Bunk Slides/"Vault" Pressureized bearing Buddies/Aluminum wheels Boarding ladder on Trailer Made in Lynden Washington	
	Shipping Cost to Lake Tahoe \$ 4900.00-\$ 5900.00 Canadian	
	Canadian Dollars	\$ 298,099.81
	U.S. Dollars (Todays rate 92.10)	\$ 274,543.94

APPENDIX B
PAYMENT SCHEDULE



2011 Malaview Ave., Sidney, B.C. Canada V8L 5X6
Tel: (250) 656-3153 Fax: (250) 656-3157 Email: carswell@titanboats.com
website: www.titanboats.com

TERMS OF REFERENCE

for

WASHOE COUNTY SHERIFF'S DEPARTMENT QUOTE #14056		
	PAYMENT SCHEDULE:	
	Titan 280 Pilot Aluminum RHIB with Trailer	
	Total	-
	First payment: 10% upon Receiving Purchase Order	
	Total	
	Second payment: 40% Hull and Cabin Basically completed	
	Total	
	Final Payment: 50% on Completion & Sea Trialed/accepted in Wahsoe County, Nevada	
	Total	
	Total Cost	
	Total Cost in US FUNDS	
	<i>Requested changes to original agreed contract will need to be in writing and a cost/credit attached and agreed to before they will be implemented</i>	
	cc: Wendy Sims - Project #725	

APPENDIX C

TITAN INFLATABLES LTD. STANDARD WARRANTY

GENERAL

Titan Inflatables Ltd. supplies a general one (1) year warranty, which applies only to the vessel and those components, manufactured exclusively by or installed by Titan Inflatables Ltd. or its subcontractors and not covered by a specific manufacturer's or supplier's warranty. Titan Inflatables Ltd. further supplies a specific LIFETIME warranty, which applies exclusively to the structural hull of the vessel.

LIMITED ONE YEAR VESSEL WARRANTY

Titan Inflatables Ltd. warrants each vessel to be free of defects caused by faulty workmanship or defects in materials under normal use and service for a period of one year from the date of manufacture. During this period warranty repairs will be made without charge, either by Titan Inflatables Ltd. or, at Titan Inflatables Ltd.'s option, by an authorized repair centre. It is the responsibility of the owner of the vessel to notify Titan Inflatables Ltd. in writing of any defects, which may need to be rectified under this warranty. All warranty repairs must have the prior approval of Titan Inflatables Ltd. before repairs are commenced. Titan Inflatables Ltd. will not be responsible for the cost of repairs carried out without their written prior authorization.

LIFETIME HULL WARRANTY

Titan Inflatables Ltd. warrants each hull to be free of defects caused by faulty workmanship or defects in materials under normal use and service for the life of the vessel from date of manufacture. This hull lifetime warranty, applies to the original owner of the vessel. It is not transferable. During this period warranty repairs will be made without charge, either by Titan Inflatables Ltd. or, at Titan Inflatables Ltd.'s option, by an authorized repair centre. It is the responsibility of the owner of the vessel to notify Titan Inflatables Ltd. in writing of any defects, which may need to be rectified under this warranty. All warranty repairs must have the prior approval of Titan Inflatables Ltd. before being commenced. Titan Inflatables Ltd. will not be responsible for the cost of repairs carried out without their prior authorization.

EXCLUSIONS FROM WARRANTY.

Neither of these warranties shall apply to:

Engines, outdrives, controls, propellers, batteries or any accessories carrying their own individual warranties.

Installations of engines or any accessories installed by anyone other than Titan Inflatables Ltd.

Windshield or window breakage or leakage.

Paint finishes including hull, cabin or bottom paints.

Canvas, vinyl, upholstery, plastic, fabric or trim.

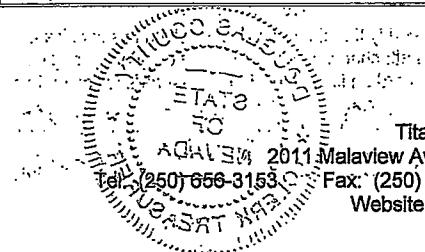
Any Defiant or Challenger vessel, which has been altered from its original configuration, subject to misuse, negligence or accident or used for racing, purposes.

Any vessel which has been sold or transferred from the original owner.

Damage caused by accident or through trailer damage.

The obligation of Titan Inflatables Ltd. shall be limited to the repair or replacement of any parts, which are judged to be defective by Titan Inflatables Ltd. Titan Inflatables Ltd. will not be liable for costs or charges derived from inconvenience loss of use, financial or commercial losses howsoever caused. Neither shall Titan Inflatables Ltd. be liable for haul out, launching, towing or storage charges, inconvenience or loss of time or income, or any other consequential damages of any kind or nature.

June 19, 2014



Titan Inflatables Ltd.

2011 Malaview Avenue W. Sidney, B.C., V8L 5X6

Tel: (250) 666-3153

Fax: (250) 666-3157

Email: carswell@titanboats.bc.ca

Website: www.titanboats.com